



CASMU Presentation

Smart Grid OIR Workshop

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WHO IS CASMU?

- **CASMU – California Association of Small and Multi-jurisdictional Utilities**
 - Members: Mountain Utilities (statutorily classified as a microutility), Bear Valley Electric Service (a small utility), and PacifiCorp and Sierra Pacific Power Company (the multi-jurisdictional utilities, or MJUs).
 - CASMU members are investor-owned utilities that each serve less than 50,000 customers in California. Their service territories also have unique geographical and socioeconomic characteristics.

PURPOSE OF CASMU

- CASMU is a joint effort to advance common legislative, regulatory and legal interests.
- Due to the unique circumstances of CASMU members, many California policies and programs that may be reasonable in the three jumbo IOU territories (PG&E, SDG&E, and Edison) can be unduly burdensome and costly when applied to the CASMU territories.

CASMU AND THE SMART GRID PROCEEDING

- *Characteristically Unique Territories*: Because CASMU territories are geographically and socioeconomically unique, the benefits of potential smart grid investments are outweighed by the cost and effort of such upgrades.
- *Costly Smart Grid Upgrades*: Potential expenditures for smart grid upgrades in CASMU territories would also be spread among relatively few customers.
- *Territories Do Not Contain CAISO Transmission*: CASMU member territories are either outside of the CAISO control area or only contain a distribution-level system. Mountain Utilities does not have access to the transmission grid. The MJUs operate their own control areas and transmission systems with vast majority of assets outside of California.
- *Costly Rulemaking Participation*: CASMU members have fewer customers amongst which to spread costs. Thus, required participation throughout rulemaking is more burdensome for CASMU member ratepayers.

THE CPUC MAY “DECLINE TO IMPLEMENT” THE EISA STANDARDS

- EISA added two new federal standards to 16 U.S.C. §2621(d).
 - Consideration of smart grid investments by each state. (§2621(d)(18).)
 - Electricity purchaser access to smart grid information. (§2621(d)(19).)
- Applicability of the EISA standards, must be considered for each electric utility. (§2621(a) and (c)(1).)

THE CPUC MAY “DECLINE TO IMPLEMENT” EISA STANDARDS (Con’t)

- The Commission may either implement or “decline to implement any such standard.” (§ 2621(c)(1).)
- The ability to decline expressly extends to each electric utility for which the Commission has ratemaking authority. Put another way, under EISA the Commission can pick and choose to which electric utility it may apply a federal standard.

Thus, the Commission may decline to implement the federal smart grid standards created by EISA based upon its consideration of the unique circumstances of each CASMU member.



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